

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION
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DOCKET SECTION

QA-15969

Application of)

AEROVIAS NACIONALES DE COLOMBIA, S.A.)

for an exemption from 49 U.S.C. 41301)

Docket OST-97-2053-1

APPLICATION FOR EXEMPTION

Communications with respect to this
document should be addressed to:

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DATED: January 17, 1997

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**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

Application of)	
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AEROVIAS NACIONALES DE COLOMBIA, S.A.)	Docket OST-97-_____
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for an exemption from 49 U.S.C. 41301)	
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APPLICATION FOR EXEMPTION

Pursuant to 49 U.S.C. 40109 and Subpart D of the Department of Transportation's regulations, Aerovias Nacionales de Colombia, S.A. ("AVIANCA") hereby applies for an exemption authorizing AVIANCA to serve additional points in the United States. AVIANCA will use this exemption authority to implement a codesharing arrangement with American Airlines, Inc. ("American"). AVIANCA and American are today filing an undocketed joint application for statements of authorization requesting the authority each will require to engage in codesharing pursuant to 14 C.F.R. 207 and 14 C.F.R. 212. AVIANCA requests that its exemption be granted for a period of at least one year. AVIANCA and American intend to implement their codesharing arrangement on May 1, 1997. AVIANCA

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therefore requests prompt approval of this application so that the parties may begin marketing and sales efforts.

The additional U.S. points AVIANCA seeks authority to serve appear in Annexes A and C to the American/AVIANCA agreement which is being filed with the joint application for statements of authorization. Copies of Annexes A and C are attached to this application. AVIANCA requests authority to serve the points identified in Annex C that are beyond the U.S. gateways of Miami, New York/Newark and Los Angeles. AVIANCA's foreign air carrier permit already authorizes it to serve these gateways as well as San Juan. AVIANCA also requests authority to serve Dallas/Fort Worth from Bogota as shown in Annex A, and those points beyond the Dallas/Fort Worth gateway identified in Annex C.

Although the authority requested by AVIANCA is extrabilateral, AVIANCA believes that the overall state of bilateral aviation relations between the United States and Colombia provides a firm basis for granting this authority. The United States and Colombia completed in August 1996 extensive discussions which resulted in additional U.S. carrier service to Bogota as well as the agreement of both governments to authorize additional capacity increases in response to special market conditions. AVIANCA believes that the Colombian Government's approval of increased U.S. carrier service to Colombia as well as the Colombian Government's agreement concerning further increases in capacity

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justify approval of this application. Approval would also be consistent with the United States' policy of favoring extrabilateral authority that allows foreign carriers to provide service to new city pairs.¹

In further support of its application, AVIANCA states as follows:

1. AVIANCA submits that it is fit, willing and able to perform these services and that these services are clearly consistent with the public interest. Through the American/AVIANCA codeshare arrangement, AVIANCA will be provided with an opportunity to expand its services to many more markets enabling it to compete better in the international aviation market to the benefit of the traveling public. Because AVIANCA's new services beyond its U.S. gateways will be provided on American's aircraft, a U.S. carrier will benefit directly from AVIANCA's services by deriving revenue from the sale of otherwise unutilized capacity. The codesharing arrangement thus provides a strong balance of benefits in favor of the United States and, therefore, granting AVIANCA this exemption authority would be consistent with the public interest.

2. AVIANCA is a citizen of Colombia. AVIANCA operates successfully as the principal flag carrier of Colombia, providing service throughout Latin America and to the United States. AVIANCA's fitness was established most

¹ See *In the Matter of Expanding International Air Service Opportunities to More U.S. Cities*, Order 90-1-62, January 30, 1990 and Order 91-11-26, November 20, 1990.

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recently in Order 86-9-36, in which the Department issued to AVIANCA a foreign air carrier permit authorizing service between points in Colombia and (i) the coterminal points Miami and New York; (ii) San Juan; and (iii) Los Angeles or San Francisco.

3. AVIANCA is subject to the safety and operational rules of the Government of Colombia. Colombia is a contracting party to the Convention on International Civil Aviation and observes all applicable ICAO standards.

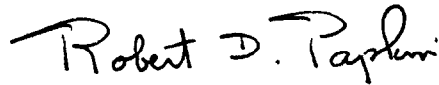
4. This exemption application raises no environmental or energy issues. AVIANCA will perform its services in the markets identified in this application entirely with modern, noise-compliant aircraft. Similarly, since the overwhelming majority of the services contemplated by this application will be operated as codeshared flights, approval of this application will not result in a near-term increase in fuel consumption of ten million gallons or more.

WHEREFORE, Aerovias Nacionales de Colombia, S.A. ("AVIANCA") respectfully requests that it be granted an exemption from 49 U.S.C. 41301 and the Department's regulations to the extent necessary to provide scheduled foreign

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air transportation as more fully described herein.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert D. Papkin". The signature is written in a cursive style with a horizontal line underneath the name.

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DATED: January 17, 1997

ANNEX A

AVIANCA Cooperative Service Flights

Miami to/from	Bogotá, Colombia Cali, Colombia Barranquilla, Colombia
Dallas/Fort Worth to/from	Bogotá, Colombia

ANNEX C

AVIANCA Connecting Cooperative Service Flights

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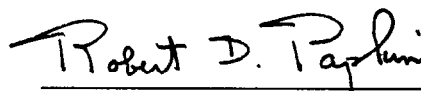
Miami to/from	New York (JFK and LGA) Newark Los Angeles Washington, D.C. (DCA and IAD) Dallas/Fort Worth Boston Houston (IAH and HOU) Chicago San Francisco Atlanta Orlando Philadelphia San Juan Denver New Orleans Tampa Baltimore Seattle Detroit Minneapolis/St. Paul Las Vegas Honolulu Phoenix Cleveland Raleigh/Durham San Diego Salt Lake City San Antonio Oklahoma City Tulsa
Dallas/Fort Worth to/from	New York (JFK and LGA) Newark Los Angeles Washington, D.C. (DCA and IAD) Miami Boston Houston (IAH and HOU) Chicago San Francisco Atlanta Orlando Philadelphia

ANNEX C. (continued)

Dallas/Fort Worth to/from	San Juan Denver New Orleans Tampa Baltimore Seattle Detroit Minneapolis/St. Paul Las Vegas Honolulu Phoenix Cleveland Raleigh/Durham San Diego Salt Lake City San Antonio Oklahoma City Tulsa
New York (JFK) to/from	Los Angeles Washington, D.C. (DCA and IAD) Dallas/ Fort Worth Boston San Francisco Philadelphia San Juan Buffalo Baltimore Cleveland Raleigh/Durham San Diego
Newark to/from	Los Angeles Dallas/ Fort Worth Chicago
Los Angeles to/from	New York (JFK) Newark Washington, D.C. (DCA and IAD) Dallas/Fort Worth Boston Chicago Philadelphia Las Vegas Honolulu San Diego

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application has this day been served on all parties listed on the attached service list by first class mail, postage prepaid.

A handwritten signature in black ink, reading "Robert D. Papkin". The signature is written in a cursive style with a horizontal line underneath the name.

Robert D. Papkin

DATED: January 17, 1997

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